

**COAST GUARD AUXILIARY  
ASSOCIATION**  
*Supporting the U.S. Coast Guard Auxiliary  
America's Volunteer Lifesavers®*

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13AS  
10/12/04

facsimile transmittal

To: Commodore Warren McAdams Fax: 513-753-3894  
From: Martin L. Phillips Date: September 22, 2004  
Re: STATE FARM MOU Pages: 6  
CC: John Malatak 202-267-4285

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

Notes:  
Mac,

Attached is a copy of the completed, signed MOU with State Farm for the VSC decals. I am faxing a copy to John as requested. I assume you are coordinating with them the production and shipping of the 2005 decals to ANSC and USPS HQ. Please let me know if I need to follow up on anything regarding this agreement. Thanks.

Respectfully,

*Marty*

Martin L. Phillips, CDR USCG (Ret.)  
Executive Director, Coast Guard Auxiliary Association, Inc.

**MEMORANDUM OF UNDERSTANDING**  
**Between**  
**COAST GUARD AUXILIARY ASSOCIATION, INC.**  
**And**  
**STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY**  
**In Support of the U.S. Coast Guard Vessel Safety Program**

**1. BACKGROUND**

This Memorandum of Understanding ("MOU") is the Agreement ("Agreement") between Coast Guard Auxiliary Association, Inc., whose address is 9449 Watson Industrial Park, St. Louis, MO 63126 and State Farm Mutual Automobile Insurance Company, its subsidiaries and affiliates ("State Farm"), a company having its corporate headquarters at One State Farm Plaza, Bloomington, Illinois, 61710.

The United States Coast Guard Auxiliary ("USCGAUX") is the volunteer civilian component of the United States Coast Guard ("USCG"). It is authorized by Congress and operates in support of the USCG's support of recreational boating safety ("RBS") and the preservation of the maritime environment. The USCGAUX has been designated by the USCG as the National Director and Executive Agent for the USCG's Vessel Safety Program ("VSP"). The USCGAUX has developed various RBS programs including the vessel safety check ("VSC") that provides recreational boaters an advisory review of their vessel's legally required equipment and additional recommended equipment. In this capacity, USCGAUX has the responsibility of identifying and empowering additional organizations to participate and/or support the VSP. The Coast Guard Auxiliary Association, Inc. (the "Association") is a 501 c-3 corporation authorized and approved by the Commandant of the USCG to support the activities of the USCGAUX and has been designated to act for and on behalf of the USCGAUX in support of the missions and activities of the USCGAUX. The United States Power Squadrons® ("USPS"), as well as a number of States and organizations, have joined the USCGAUX and the Association as providers of vessel safety checks or as supporters of the Vessel Safety Program around the country. These States and organizations have a demonstrated commitment to boating safety as reflected in their outreach efforts, emphasis on education, law enforcement activities, and so on. States and organizations that do not choose to conduct vessel safety checks have a stake in the successful execution of the Program within their jurisdiction and may choose to actively support the Program. By doing so the State or organization serves the customers of the program, which include boaters and their families, members or officials of the organizations, and vendors of boats and boating equipment.

State Farm Mutual Automobile Insurance Company ("State Farm") has supported the VSP program and intends to support the program for the years of 2005, 2006 and 2007. In order to continue to support the VSP program, the parties hereto agree that the following terms of this understanding apply to the promotional support of the Vessel Safety Program.

## 2. UNDERSTANDING

### A. The Association will:

1. Continue to provide and share booth space with State Farm at the Bass Masters Classic Championships.
2. Identify State Farm as the corporate partner by utilizing the most recent approved VSC decal on the Association and the USCGAUX websites.
3. Utilize members of the Association/ USCGAUX and members of the USPS who are qualified vessel examiners to implement and conduct the VSP under the requirements established by the USCG and to award the VSC decals upon compliance with those requirements.

### B. State Farm will:

1. Produce at least 500,000 VSC decals for each year beginning with 2005 and for the years of 2006 and 2007.
2.
  - a. Provide the sum of \$1000 for awards at the 2005, 2006 and 2007 USCGAUX National Conferences to recognize one or more members of the USCGAUX for their efforts in the VSC.
  - b. In addition, State Farm will provide the sum of \$1000 for awards to be made by the USPS at the 2005, 2006 and 2007 conventions to recognize members of the USPS for their VSC efforts.
  - c. The rules and eligibility of all awards shall be established by the Association and State Farm.
3. Amend the language on the VSC decal from its current form to reflect that the VSC decal is donated by State Farm, rather than sponsored by State Farm.
4. Amend the VSC decals to re-incorporate the logos of the USCGAUX, the USCG and the USPS in the form agreed upon by all parties.
5. Use its best efforts in finding an Internet medium to promote the VSCs.

3. SOLE PARTNER The parties agree that State Farm is the sole corporate partner of VSC program. In the event that any other insurance or financial services company approaches the Association or the USCGAUX to become involved with the VSC program, State Farm shall be notified of any such proposal, shall be provided a copy of such proposal and shall have the right to provide the services contained in the proposal under the same terms. State Farm shall have 30 days from the date of notification of such proposal to consent to the proposal. In the event that State Farm is unable or unwilling to provide the services offered under such proposal or fails to notify the Association of its acceptance, the Associations shall then be free to accept the proposal. ✓

4. USE OF NAMES. Anything in the Agreement to the contrary notwithstanding, both parties expressly agree that neither shall not disclose or otherwise identify the other party or its affiliates orally or in any of either parties' advertising, publication(s), or other media, except for purposes of performance of the Agreement and as authorized pursuant to this Addendum. For each marketing, publicity or promotional use, each party shall only use the name of the other party as authorized and provided by the other party after prior consultation and agreement by the other party.

5. HOLD HARMLESS. Anything in the Agreement to the contrary notwithstanding, STATE FARM and ASSOCIATION expressly agree that each (the "Indemnifying Party") shall indemnify and hold the other party (the "Indemnified Party") fully harmless against any loss, damages, claims, or expenses of any kind whatsoever sustained or incurred by a third party, including costs and reasonable attorneys' fees as a result of the negligent or intentional acts or omissions of the Indemnifying Party, and for which recovery is sought against the Indemnified Party by that third party.

6. CONFIDENTIALITY. ASSOCIATION and STATE FARM agree to maintain in confidence the terms of this Agreement. The parties further agree not to disclose or use any confidential information obtained hereunder, including but not limited to, the terms or existence of this Agreement or other correspondence relating thereto, except for purposes of performance of the stated provisions of this Agreement or when legally required to do so. ASSOCIATION and STATE FARM may disclose the information hereunder to their professional advisors, provided such advisors agree to maintain confidentiality.

7. LIMITATION OF LIABILITY. EXCEPT FOR THE PROVISIONS OF SECTION 5, ANYTHING IN THE AGREEMENT TO THE CONTRARY NOTWITHSTANDING, UNDER NO CIRCUMSTANCES WHATSOEVER SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT PUNITIVE OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER. EXCEPT FOR THE PROVISIONS OF SECTION 5, IN NO EVENT WHATSOEVER SHALL EITHER PARTY'S TOTAL LIABILITY TO THE OTHER FOR ANY OTHER EVENT WHATSOEVER SHALL EITHER PARTY'S TOTAL LIABILITY TO THE OTHER FOR ANY OTHER DAMAGES WHATSOEVER EXCEED IN THE AGGREGATE THE SUM OF SEVEN THOUSAND DOLLARS (\$7,000.00).

8. **NOT A CONTRACTOR** The ASSOCIATION and STATE FARM agree that STATE FARM is participating under the Agreement with no receipt of remuneration from the ASSOCIATION, the United State Coast Guard Auxiliary, or the United States Coast Guard; and that by STATE FARM's participation under the Agreement, the ASSOCIATION does not consider STATE FARM to be a federal government contractor.

9. **SURVIVAL** The following Sections shall survive termination of this Addendum: USE OF NAMES, HOLD HARMLESS, CONFIDENTIALITY, LIMITATION OF LIABILITY, NOT A CONTRACTOR and SURVIVAL.

10. **POINTS OF CONTACT:**

For State Farm:  
Bobby Wilkinson, D-3  
One State Farm Plaza  
Bloomington, IL 61710  
Email: [Bobby.Wilkinson.C433@StateFarm.com](mailto:Bobby.Wilkinson.C433@StateFarm.com)  
Phone: (309) 766-8130

For the Coast Guard Auxiliary Association, Inc:

COMO Warren E. McAdams  
National Directorate Commodore  
Recreational Boating Safety  
894 Surrey Ridge Drive  
Cincinnati, OH 45245-1125  
Email: [mcadamsw@aol.com](mailto:mcadamsw@aol.com)  
Phone: 513 753-3890

11. **ENTIRE AGREEMENT:** This Agreement constitutes the entire Agreement between the parties.

12. **MODIFICATIONS:** Modifications to this Agreement may be made with the consent of all the parties to this Agreement. All modifications to this agreement will be made in writing.

13. **OTHER PROVISIONS:** Nothing within this Agreement is intended to conflict with current law, regulations, the directives of the United States Coast Guard, the Department of Homeland Security, United States Coast Guard Auxiliary or any provisions of the bylaws of the Coast Guard Auxiliary Association or State Farm. If a term of this Memorandum of Understanding is inconsistent with such authority, then the term shall be invalid, but the remaining terms and conditions of this Memorandum shall remain in full force and effect.



14. EFFECTIVE DATE This Agreement shall become effective on the date the second of the two parties executes this Agreement.

15. REVIEW AND MODIFICATION: This Agreement will be reviewed on an annual basis.

16. TERMINATION: The terms of this Agreement, and any terms as modified with the consent of all parties, will remain in effect until terminated at any time upon written notification by either party to the other.




IN WITNESS WHEREOF, the Association and State Farm have caused this Memorandum of Understanding to be executed by their respective, duly authorized officers.

COAST GUARD AUXILIARY  
ASSOCIATION, INC.

  
Signature   
  
F. C. [illegible] PRESIDENT  
Name and Title

9 September 2004  
Date

STATE FARM MUTUAL AUTOMOBILE  
INSURANCE COMPANY

  
Signature   
  
M. [illegible] Assistant Vice President  
Name and Title

9/20/04  
Date